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3020

July 11, 2005

Margaret Blackman
PAETEC Communications, Inc.
One PAETEC Plaza
600 Willowbrook Office Park
Fairport, New York 14450

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 JUL 11 P 3:00

RECEIVED

RE: PAETEC Communications, Inc. ("PAETEC") revisions to AZ C.C. Tariff No. 1, Docket Number T-03663A-05-0474

Dear Ms. Blackman:

As a competitive telecommunications provider, PAETEC is subject to Title 14, Article 11 (Competitive Telecommunications Services) of the Arizona Administrative Code. Section 1110 of Title 14, Article 11 describes the procedure for applying to the ACC for an increase in the maximum rate for a competitive telecommunications service.

In order to increase the maximum tariffed rate for a competitive telecommunications service, the applicant shall submit an application to the Commission containing the following information:

1. A statement setting forth the reasons for which a rate increase is required;
2. Is there a cost based justification for the rate increase (i.e., is the rate increase necessary to account for a change in your costs)? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification. (*See attached Data Request for additional details.*)
3. A schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates; (*See attached Data Request for additional details.*)
4. An affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the service; and
5. A copy of the customer notification you sent to your customers.

PAETEC's filing includes an increase in the maximum rate for the following:

Directory Assistance

- Current or Actual rate increase from \$0.75 to \$1.25
- Maximum rate increase from \$1.15 to \$2.00

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Therefore, it will be necessary for you to provide the information described in 1-5 above. Please indicate if any of the information noted above has been already supplied in PAETEC's June 27, 2005 filing or provide updated information as needed. The Commission or Staff may request any additional information in support of the application. Staff cannot begin to process this filing until this information is received.

The complete text of Title 14, Article 11 can be found at:

<http://www.cc.state.az.us/rules/telco.htm>

Please provide Docket Control with the information being requested within **10 days** of the date of this letter. Mail an original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received or all deficiencies are not remedied within 10 days, Staff will recommend that the application be terminated. If the application is terminated, the Applicant cannot provide the same telecommunications services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

Remember that information submitted for a tariff rate increase is normally made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If PAETEC needs to provide confidential information, please contact me directly.

Please also understand that rate changes do not become effective until they are approved by the Commission.

If you have any questions about this matter, please contact me at (602) 542-0742. Thank you for your prompt response to this request.

Sincerely,



Armando F. Fimbres

Enclosure(s)

CC: Docket Control Center (Original and Thirteen Copies)

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STAFF'S FIRST SET OF DATA REQUESTS FOR
PAETEC COMMUNICATIONS, INC.
DOCKET NO. T-03663A-05-0474

Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

1. Please explain how the Company believes its proposed rates compare to those of similar services offered by its competitors?
2. Please explain if the service impacted by the maximum rate increase is being enhanced with new or additional features.
3. Please explain when the maximum and current rates were previously increased for this service.
4. Please confirm or correct the existing Actual and Maximum rates for the service the Company proposes to change.
5. For the service impacted by maximum rate, increases please provide:
 - the number customers impacted (please provide a reasonable range or estimate)
 - the total annualized revenue associated with all customers under the existing current and maximum rates (please provide a reasonable range or estimate)
 - the total annualized revenue associated with all customers under the proposed current and maximum rates (please provide a reasonable range or estimate)
6. Please explain if the expected effect of this filing on the Company's Arizona revenues is less than 1 percent, from 1 to 5 percent, etc.